

## 3294 MEGAFORCE COMPANY LIMITED

## 2021Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2021/6/30	2020/12/31	2020/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	936,314	1,740,445	1,715,754
1110	Current financial assets at fair value through profit or loss	918,560	-	-
1136	Current financial assets at amortised cost	-	-	100,550
1170	Accounts receivable, net	1,405,022	2,007,738	1,314,259
130X	Current inventories	703,584	593,938	498,949
1476	Other current financial assets	3,165	12,405	11,749
1479	Other current assets, others	89,553	62,836	88,815
11XX	Total current assets	4,056,198	4,417,362	3,730,076
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	43,620	30,000	30,000
1517	Non-current financial assets at fair value through other comprehensive income	9,486	8,639	12,692
1550	Investments accounted for using equity method	16,729	19,687	20,917
1600	Property, plant and equipment	1,089,700	1,099,054	1,104,999
1755	Right-of-use assets	199,956	181,254	186,638
1780	Intangible assets	39,216	41,693	37,860
1840	Deferred tax assets	174,617	175,782	129,260
1980	Other non-current financial assets	14,339	15,271	13,211
1990	Other non-current assets, others	25,504	24,305	17,220
15XX	Total non-current assets	1,613,167	1,595,685	1,552,797
1XXX	Total assets	5,669,365	6,013,047	5,282,873
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	980,000	957,470	1,052,270
2130	Current contract liabilities	76,948	30,620	40,374
2170	Accounts payable	537,132	653,106	448,654
2200	Other payables	610,514	808,577	534,698
2220	Other payables to related parties	381	3,224	536
2230	Current tax liabilities	20,088	45,571	25,879
2280	Current lease liabilities	41,741	39,146	39,165
2322	Long-term borrowings, current portion	192,678	254,000	164,000
2360	Net defined benefit liability, current	14,252	14,252	19,248
2399	Other current liabilities, others	25,991	26,300	51,217
21XX	Total current liabilities	2,499,725	2,832,266	2,376,041
	Non-current liabilities			
2500	Non-current financial liabilities at fair value through profit or loss	366	345	-
2530	Bonds payable	28,289	28,083	-

Code	Accounting Title	2021/6/30	2020/12/31	2020/6/30
2540	Non-current portion of non-current borrowings	382,322	403,000	525,000
2570	Deferred tax liabilities	121,775	121,899	90,371
2580	Non-current lease liabilities	123,584	107,295	120,343
2640	Net defined benefit liability, non-current	58,224	66,572	91,312
2670	Other non-current liabilities, others	874	880	861
25XX	Total non-current liabilities	715,434	728,074	827,887
2XXX	Total liabilities	3,215,159	3,560,340	3,203,928
	Equity			
	Equity attributable to owners of parent			
3100	Share Capital	1,320,159	1,320,159	1,320,159
3200	Capital surplus	831,284	831,284	829,808
3300	Retained earnings	373,658	333,888	105,046
3400	Other equity interest	(84,352)	(45,952)	(187,039)
31XX	Total equity attributable to owners of parent	2,440,749	2,439,379	2,067,974
36XX	Non-controlling interests	13,457	13,328	10,971
3XXX	Total equity	2,454,206	2,452,707	2,078,945
3X2X	Total liabilities and equity	5,669,365	6,013,047	5,282,873

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### Statement of Comprehensive Income

Code	Accounting Title	2021/4/1To6/30	2020/4/1To6/30	2021/1/1To6/30	2020/1/1To6/30
4000	Operating revenue	1,226,688	1,139,513	2,534,647	1,753,379
5000	Operating costs	1,077,597	925,320	2,206,225	1,553,358
	Gross profit from operations	149,091	214,193	328,422	200,021
	Operating expenses				
6100	Selling expenses	20,387	21,128	41,414	39,767
6200	Administrative expenses	93,337	87,686	176,618	183,936
6300	Research and development expenses	34,146	37,589	67,749	70,051
6450	Impairment loss (impairment gain and reversal of impairment loss)determined in accordance with IFRS 9	(204)	1,181	(1,832)	157
	Total operating expenses	147,666	147,584	283,949	293,911
	Net operating income (loss)	1,425	66,609	44,473	(93,890)
	Non-operating income and expenses				
7100	Interest income	2,706	4,491	6,020	14,619
7020	Other gains and losses, net	30,360	8,562	31,113	4,559
7060	Share of loss of associates and joint ventures accounted for using equity method, net	(1,102)	(947)	(2,453)	(3,068)
7510	Finance costs, net	(5,334)	(5,850)	(10,854)	(12,058)
	Total non-operating income and expenses	26,630	6,256	23,826	4,052
7900	Profit (loss) from continuing operations before tax	28,055	72,865	68,299	(89,838)
7950	Total tax expense	9,571	33,916	28,225	27,523
	Profit (loss) from continuing operations	18,484	38,949	40,074	(117,361)
8300	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(83)	-	847	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	(83)	-	847	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(19,095)	(47,871)	(38,917)	(114,199)
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	(95)	545	(505)	628
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to loss	(19,190)	(47,326)	(39,422)	(113,571)
8300	Total other comprehensive income	(19,273)	(47,326)	(38,575)	(113,571)
8500	Total comprehensive income	(789)	(8,377)	1,499	(230,932)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	18,031	39,144	39,770	(116,290)
8620	Profit (loss), attributable to non-controlling interests	453	(195)	304	(1,071)
	Profit (loss) from continuing operations	18,484	38,949	40,074	(117,361)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(1,151)	(7,959)	1,370	(229,514)
8720	Comprehensive income, attributable to non-controlling interests	362	(418)	129	(1,418)
	Total comprehensive income	(789)	(8,377)	1,499	(230,932)
9750	Total basic earnings per share	0.14	0.30	0.30	(0.88)
9850	Total diluted earnings per share	0.14	0.30	0.30	(0.88)

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### Statements of Cash Flows

Accounting Title	2021/1/1To6/30	2020/1/1To6/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	68,299	(89,838)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	118,184	122,302
Amortization expense	4,908	1,868
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,832)	157
Net gain on financial assets or liabilities at fair value through profit or loss	(25,145)	(5,642)
Interest expense	10,854	12,058
Interest income	(6,020)	(14,619)
Share of loss f associates and joint ventures accounted for using equity method	2,453	3,068
Gain on disposal of property, plan and equipment	(2,225)	(239)
Property, plan and equipment transferred to expenses	24	1,001
Gain on disposal of other assets	-	(1,056)
Total adjustments to reconcile profit (loss)	101,201	118,898
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	587,769	189,882
Decrease in accounts receivable due from related parties	-	211
Decrease in other receivable due from related parties	-	8
Adjustments for increase in inventories	(117,100)	(93,338)
Decrease in other financial assets-current	8,624	1,876
Increase in other financial assets-non current	(4)	-
Adjustments for decrease (increase) in other current assets	(1,299)	1,752
Total changes in operating assets	477,990	100,391
Changes in operating liabilities		
Increase in contract liabilities	47,130	23,849
Decrease in accounts payable	(108,789)	(4,480)
Decrease in other payable	(226,309)	(49,852)
Increase (decrease) in other payable to related parties	(2,844)	536
Adjustments for increase (decrease) in other current liabilities	(20)	26,909
Decrease in net defined benefit liability	(8,348)	(12,886)
Total changes in operating liabilities	(299,180)	(15,924)
Total changes in operating assets and liabilities	178,810	84,467
Total adjustments	280,011	203,365
Cash inflow (outflow) generated from operations	348,310	113,527
Income taxes paid	(79,789)	(36,097)
Net cash flows from operating activities	268,521	77,430
Cash flows from (used in) investing activities		

Accounting Title	2021/1/1To6/30	2020/1/1To6/30
Acquisition of financial assets at fair value through profit or loss	(1,682,433)	(734,802)
Proceeds from disposal of financial assets at fair value through profit or loss	761,653	734,588
Acquisition of financial assets at amortised cost	-	(926,712)
Proceeds from repayments of financial assets at amortised cost	-	797,277
Acquisition of property, plant and equipment	(60,109)	(292,254)
Proceeds from disposal of property, plant and equipment	2,233	2,535
Acquisition of intangible assets	(2,480)	(742)
Decrease in other financial assets-current	-	23,466
Decrease in other financial assets-non current	594	-
Interest received	6,369	6,792
Net cash flows used in investing activities	(974,173)	(389,852)
Cash flows from (used in) financing activities		
Increase in short-term loans	2,328,992	2,797,668
Decrease in short-term loans	(2,306,462)	(2,700,019)
Proceeds from long-term debt	140,000	557,000
Repayments of long-term debt	(222,000)	(281,000)
Payments of lease liabilities	(26,819)	(20,314)
Increase in other non-current liabilities	-	400
Interest paid	(9,177)	(10,249)
Net cash flows from (used in) financing activities	(95,466)	343,486
Effect of exchange rate changes on cash and cash equivalents	(3,013)	6,056
Net increase (decrease) in cash and cash equivalents	(804,131)	37,120
Cash and cash equivalents at beginning of period	1,740,445	1,678,634
Cash and cash equivalents at end of period	936,314	1,715,754

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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	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total 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

### Statements of Change in Equity

Equity at beginning of period	1,320,159	831,284	44,366	73,815	215,707	333,888	(36,419)	(9,533)	2,439,379	13,328	2,452,707
Profit	-	-	-	-	39,770	39,770	-	-	39,770	304	40,074
Other comprehensive income	-	-	-	-	-	-	(39,247)	847	(38,400)	(175)	(38,575)
Total comprehensive income	-	-	-	-	39,770	39,770	(39,247)	847	1,370	129	1,499
Equity at end of period	1,320,159	831,284	44,366	73,815	255,477	373,658	(75,666)	(8,686)	2,440,749	13,457	2,454,206