

## 3294 MEGAFORCE COMPANY LIMITED

## 2022Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2022/6/30	2021/12/31	2021/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	1,242,922	1,841,857	936,314
1110	Current financial assets at fair value through profit or loss	873,167	-	918,560
1170	Accounts receivable, net	991,793	1,643,066	1,405,022
130X	Current inventories	649,188	660,040	703,584
1476	Other current financial assets	6,081	4,362	3,165
1479	Other current assets, others	116,707	66,951	89,553
	Total current assets	3,879,858	4,216,276	4,056,198
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	-	44,262	43,620
1517	Non-current financial assets at fair value through other comprehensive income	5,980	7,119	9,486
1550	Investments accounted for using equity method	-	-	16,729
1600	Property, plant and equipment	1,048,524	1,084,470	1,089,700
1755	Right-of-use assets	206,892	188,051	199,956
1780	Intangible assets	61,897	63,482	39,216
1840	Deferred tax assets	198,575	196,721	174,617
1980	Other non-current financial assets	16,842	14,280	14,339
1990	Other non-current assets, others	19,013	8,229	25,504
	Total non-current assets	1,557,723	1,606,614	1,613,167
	Total assets	5,437,581	5,822,890	5,669,365
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	1,090,000	1,120,000	980,000
2110	Short-term notes and bills payable	100,000	-	-
2130	Current contract liabilities	69,579	62,912	76,948
2170	Accounts payable	370,044	539,299	537,132
2200	Other payables	601,186	653,027	610,895
2230	Current tax liabilities	1,257	37,599	20,088
2280	Current lease liabilities	49,474	40,433	41,741
2322	Long-term borrowings, current portion	82,448	81,857	192,678
2360	Net defined benefit liability, current	12,252	12,252	14,252
2399	Other current liabilities, others	36,037	31,855	25,991
	Total current liabilities	2,412,277	2,579,234	2,499,725
	Non-current liabilities			
2500	Non-current financial liabilities at fair value through profit or loss	378	240	366
2530	Bonds payable	28,701	28,495	28,289
2540	Non-current portion of non-current borrowings	496,194	537,714	382,322

Code	Accounting Title	2022/6/30	2021/12/31	2021/6/30
2570	Deferred tax liabilities	103,479	103,361	121,775
2580	Non-current lease liabilities	123,801	116,360	123,584
2640	Net defined benefit liability, non-current	57,527	64,034	58,224
2670	Other non-current liabilities, others	400	391	874
	Total non-current liabilities	810,480	850,595	715,434
	Total liabilities	3,222,757	3,429,829	3,215,159
	Equity			
	Equity attributable to owners of parent			
3100	Share Capital	1,320,159	1,320,159	1,320,159
3200	Capital surplus	830,582	830,637	831,284
3300	Retained earnings	69,036	284,718	373,658
3400	Other equity interest	21,734	(63,673)	(84,352)
3500	Treasury shares	(44,905)	-	-
31XX	Total equity attributable to owners of parent	2,196,606	2,371,841	2,440,749
36XX	Non-controlling interests	18,218	21,220	13,457
	Total equity	2,214,824	2,393,061	2,454,206
	Total liabilities and equity	5,437,581	5,822,890	5,669,365

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Statement of Comprehensive Income					
Code	Accounting Title	2022/4/1To6/30	2021/4/1To6/30	2022/1/1To6/30	2021/1/1To6/30
4000	Operating revenue	843,793	1,226,688	2,079,724	2,534,647
5000	Operating costs	892,332	1,077,597	2,017,309	2,206,225
	Gross profit (loss) from operations	(48,539)	149,091	62,415	328,422
	Operating expenses				
6100	Selling expenses	23,281	20,387	46,803	41,414
6200	Administrative expenses	82,376	93,337	165,121	176,618
6300	Research and development expenses	34,573	34,146	67,120	67,749
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	7	(204)	548	(1,832)
	Total operating expenses	140,237	147,666	279,592	283,949
	Net operating income (loss)	(188,776)	1,425	(217,177)	44,473
	Non-operating income and expenses				
7100	Interest income	4,046	2,706	7,104	6,020
7020	Other gains and losses, net	24,181	30,360	35,677	31,113
7060	Share of loss of associates and joint ventures accounted for using equity method, net	-	(1,102)	-	(2,453)
7510	Finance costs, net	(6,650)	(5,334)	(12,604)	(10,854)
	Total non-operating income and expenses	21,577	26,630	30,177	23,826
7900	Profit (loss) from continuing operations before tax	(167,199)	28,055	(187,000)	68,299
7950	Total tax expense (income)	(24,505)	9,571	(1,463)	28,225
	Profit (loss) from continuing operations	(142,694)	18,484	(185,537)	40,074
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	(515)	(83)	(1,139)	847
8310	Components of other comprehensive income that will not be reclassified to profit or loss	(515)	(83)	(1,139)	847
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(53,361)	(19,095)	86,348	(38,917)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	-	(95)	-	(505)
	Components of other comprehensive income that will be reclassified to profit or loss	(53,361)	(19,190)	86,348	(39,422)
8300	Total other comprehensive income	(53,876)	(19,273)	85,209	(38,575)
8500	Total comprehensive income	(196,570)	(789)	(100,328)	1,499
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	(140,777)	18,031	(182,678)	39,770
8620	Profit (loss), attributable to non-controlling interests	(1,917)	453	(2,859)	304
	Profit (loss) from continuing operations	(142,694)	18,484	(185,537)	40,074
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(194,039)	(1,151)	(97,271)	1,370
8720	Comprehensive income, attributable to non-controlling interests	(2,531)	362	(3,057)	129
	Total comprehensive income	(196,570)	(789)	(100,328)	1,499
9750	Total basic earnings per share	(1.08)	0.14	(1.39)	0.30
9850	Total diluted earnings per share	(1.08)	0.14	(1.39)	0.30

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Statements of Cash Flows		
Accounting Title	2022/1/1To6/30	2021/1/1To6/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	(187,000)	68,299
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	120,811	118,184
Amortization expense	1,947	4,908
Expected credit loss (gain)	548	(1,832)
Net gain on financial assets or liabilities at fair value through profit or loss	(1,892)	(25,145)
Interest expense	12,604	10,854
Interest income	(7,104)	(6,020)
Share of profit of associates and joint ventures accounted for using equity method	-	2,453
Loss (gain) on disposal of property, plan and equipment	29	(2,225)
Property, plan and equipment transferred to expenses	-	24
Total adjustments to reconcile profit (loss)	126,943	101,201
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	674,425	587,769
Adjustments for decrease (increase) in inventories	22,641	(117,100)
Adjustments for increase in other current assets	(3,302)	(1,299)
Decrease (increase) in other financial assets	(1,117)	8,620
Increase in other operating assets	(274)	-
Total changes in operating assets	692,373	477,990
Changes in operating liabilities		
Increase in contract liabilities	4,964	47,130
Decrease in accounts payable	(178,394)	(108,789)
Decrease in other payable	(88,586)	(229,153)
Adjustments for increase (decrease) in other current liabilities	3,584	(20)
Decrease in net defined benefit liability	(6,507)	(8,348)
Total changes in operating liabilities	(264,939)	(299,180)
Total changes in operating assets and liabilities	427,434	178,810
Total adjustments	554,377	280,011
Cash inflow generated from operations	367,377	348,310
Income taxes paid	(78,656)	(79,789)
Net cash flows from operating activities	288,721	268,521
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss	(1,252,949)	(1,682,433)
Proceeds from disposal of financial assets at fair value through profit or loss	442,380	761,653
Acquisition of property, plant and equipment	(47,431)	(60,109)
Proceeds from disposal of property, plant and equipment	153	2,233

Accounting Title	2022/1/1To6/30	2021/1/1To6/30
Acquisition of intangible assets	(328)	(2,480)
Decrease (increase) in other financial assets	(2,061)	594
Interest received	6,485	6,369
Net cash flows used in investing activities	(853,751)	(974,173)
Cash flows from (used in) financing activities		
Increase in short-term loans	3,310,000	2,328,992
Decrease in short-term loans	(3,340,000)	(2,306,462)
Increase in short-term notes and bills payable	170,000	-
Decrease in short-term notes and bills payable	(70,000)	-
Proceeds from long-term debt	-	140,000
Repayments of long-term debt	(40,929)	(222,000)
Payments of lease liabilities	(36,615)	(26,819)
Payments to acquire treasury shares	(44,905)	-
Interest paid	(10,697)	(9,177)
Net cash flows used in financing activities	(63,146)	(95,466)
Effect of exchange rate changes on cash and cash equivalents	29,241	(3,013)
Net decrease in cash and cash equivalents	(598,935)	(804,131)
Cash and cash equivalents at beginning of period	1,841,857	1,740,445
Cash and cash equivalents at end of period	1,242,922	936,314

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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	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	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total 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

### Statements of Change in Equity

Equity at beginning of period	1,320,159	830,637	55,622	45,952	183,144	284,718	(52,620)	(11,053)	-	2,371,841	21,220	2,393,061
Legal reserve appropriated	-	-	1,684	-	(1,684)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	17,721	(17,721)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,004)	(33,004)	-	-	-	(33,004)	-	(33,004)
Loss	-	-	-	-	(182,678)	(182,678)	-	-	-	(182,678)	(2,859)	(185,537)
Other comprehensive income	-	-	-	-	-	-	86,546	(1,139)	-	85,407	(198)	85,209
Total comprehensive income	-	-	-	-	(182,678)	(182,678)	86,546	(1,139)	-	(97,271)	(3,057)	(100,328)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(44,905)	(44,905)	-	(44,905)
Changes in ownership interests in subsidiaries	-	(55)	-	-	-	-	-	-	-	(55)	55	-
Equity at end of period	1,320,159	830,582	57,306	63,673	(51,943)	69,036	33,926	(12,192)	(44,905)	2,196,606	18,218	2,214,824