

Chapter 6 Review and Analysis of Financial Conditions, Operating Results and Risk Management

Balance Sheet Analysis

Consolidated balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities and equity:

1. Other assets increased mainly due to the recognition of incremental costs of obtaining a contract after adopting IFRS 15 "Revenue from Contracts with Customers".
2. Current liabilities decreased mainly due to the repayment of debts.

2017 - 2018 Consolidated Balance Sheet

Unit: NT\$'000, %

	2017	2018	YoY change	
			Amount	%
Current assets	32,351,117	29,068,887	(3,282,230)	(10.15)
Investments	6,049,714	6,199,506	149,792	2.48
Property, plant and equipment	41,603,421	38,855,960	(2,747,461)	(6.60)
Intangible assets	65,372,820	62,175,645	(3,197,175)	(4.89)
Other assets	9,145,682	11,367,030	2,221,348	24.29
Total assets	154,522,754	147,667,028	(6,855,726)	(4.44)
Current liabilities	56,479,086	41,883,503	(14,595,583)	(25.84)
Non-current liabilities	32,532,067	37,789,829	5,257,762	16.16
Total liabilities	89,011,153	79,673,332	(9,337,821)	(10.49)
Paid-in capital	34,208,328	34,238,338	30,010	0.09
Capital surplus	13,939,278	12,580,692	(1,358,586)	(9.75)
Retained earnings	41,564,304	44,875,215	3,310,911	7.97
Other equity and treasury stock	(30,080,047)	(29,812,725)	267,322	(0.89)
Non-controlling interests	5,879,738	6,112,176	232,438	3.95
Total equity	65,511,601	67,993,696	2,482,095	3.79

Stand-alone balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities and equity:

1. Other assets increased mainly due to the recognition of incremental costs of obtaining a contract after adopting IFRS 15 "Revenue from Contracts with Customers".
2. Current liabilities decreased mainly due to the repayment of debts.
3. Non-current liabilities increased mainly due to the issuance of new corporate bonds in 2018 to pay down debt.

2017- 2018 Stand-alone Balance Sheet

Unit: NT\$'000, %

	2017	2018	YoY change	
			Amount	%
Current assets	21,583,398	17,738,839	(3,844,559)	(17.81)
Investments	43,077,320	43,791,521	714,201	1.66
Property, plant and equipment	24,193,665	22,249,874	(1,943,791)	(8.03)
Intangible assets	44,004,623	41,053,072	(2,951,551)	(6.71)
Other assets	8,110,376	10,229,894	2,119,518	26.13
Total assets	140,969,382	135,063,200	(5,906,182)	(4.19)
Current liabilities	54,419,482	40,842,446	(13,577,036)	(24.95)
Non-current liabilities	26,918,037	32,339,234	5,421,197	20.14
Total liabilities	81,337,519	73,181,680	(8,155,839)	(10.03)
Paid-in capital	34,208,328	34,238,338	30,010	0.09
Capital surplus	13,939,278	12,580,692	(1,358,586)	(9.75)
Retained earnings	41,564,304	44,875,215	3,310,911	7.97
Other equity and treasury stock	(30,080,047)	(29,812,725)	267,322	(0.89)
Total equity	59,631,863	61,881,520	2,249,657	3.77

Impact of changes in financial conditions on financial results: No significant impact

Preventive measures: Not applicable