

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. Current liabilities increased due to the rise in short-term borrowings and the increase in current portion of long-term debts.
2. Non-current liabilities decreased because of the rise in the amount of corporate bonds and debts due within a year's time.

2016 - 2017 Consolidated Balance Sheet

Unit: NT\$'000, %

	2016	2017	YoY change	
			Amount	%
Current assets	34,280,112	32,351,117	(1,928,995)	(5.63)
Investments	5,412,671	6,049,714	637,043	11.77
Property, plant and equipment	42,415,229	41,603,421	(811,808)	(1.91)
Intangible assets	59,677,982	65,372,820	5,694,838	9.54
Other assets	9,591,411	9,145,682	(445,729)	(4.65)
Total assets	151,377,405	154,522,754	3,145,349	2.08
Current liabilities	38,144,597	56,479,086	18,334,489	48.07
Non-current liabilities	47,046,273	32,532,067	(14,514,206)	(30.85)
Total liabilities	85,190,870	89,011,153	3,820,283	4.48
Paid-in capital	34,208,328	34,208,328	-	-
Capital surplus	14,985,047	13,939,278	(1,045,769)	(6.98)
Retained earnings	41,630,893	41,564,304	(66,589)	(0.16)
Other equity and treasury stock	(30,407,378)	(30,080,047)	327,331	(1.08)
Non-controlling interests	5,769,645	5,879,738	110,093	1.91
Total equity	66,186,535	65,511,601	(674,934)	(1.02)

Stand-alone balance sheet analysis

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

1. Current liabilities increased due to the rise in short-term borrowings and the increase in current portion of long-term debts.
2. Non-current liabilities decreased because of the rise in the amount of corporate bonds and debts due within a year's time.

2016- 2017 Stand-alone Balance Sheet

Unit: NT\$'000, %

	2016	2017	YoY change	
			Amount	%
Current assets	22,561,728	21,583,398	(978,330)	(4.34)
Investments	42,250,372	43,077,320	826,948	1.96
Property, plant and equipment	27,081,627	24,193,665	(2,887,962)	(10.66)
Intangible assets	38,039,908	44,004,623	5,964,715	15.68
Other assets	8,715,470	8,110,376	(605,094)	(6.94)
Total assets	138,649,105	140,969,382	2,320,277	1.67
Current liabilities	37,044,613	54,419,482	17,374,869	46.90
Non-current liabilities	41,187,602	26,918,037	(14,269,565)	(34.65)
Total liabilities	78,232,215	81,337,519	3,105,304	3.97
Paid-in capital	34,208,328	34,208,328	-	-
Capital surplus	14,985,047	13,939,278	(1,045,769)	(6.98)
Retained earnings	41,630,893	41,564,304	(66,589)	(0.16)
Other equity and treasury stock	(30,407,378)	(30,080,047)	327,331	(1.08)
Total equity	60,416,890	59,631,863	(785,027)	(1.30)

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

Preventive measures: Not applicable