

# 6148 AZION CORPORATION

## 2019Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2019/6/30	2018/12/31	2018/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	287,677	483,665	378,049
1110	Current financial assets at fair value through profit or loss	0	0	0
1120	Current financial assets at fair value through other comprehensive income	0	0	0
1136	Current financial assets at amortised cost	75,831	96,317	73,945
1140	Current contract assets	0	0	0
1150	Notes receivable, net	0	983	543
1160	Notes receivable due from related parties, net	0	3,000	0
1170	Accounts receivable, net	255,473	519,639	331,714
1172	Accounts receivable	255,473	398,473	214,821
1175	Lease payments receivable	0	121,166	116,893
1180	Accounts receivable due from related parties, net	1,234	1,034	1,218
1181	Accounts receivable due from related parties	1,234	1,034	1,218
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	134,259	0	0
1200	Other receivables	631	843	1,096
1201	Tax refund receivable	0	0	0
1206	Other non-operating receivables, others	0	0	0
1210	Other receivables due from related parties	166	166	8,923
1220	Current tax assets	88	75	300
130X	Current inventories	60,591	28,163	42,692
1300	Inventories, merchandising business	60,591	28,163	42,692
1301	Merchandise inventory	60,591	28,163	42,692
1400	Current biological assets	0	0	0
1410	Prepayments	15,786	107,431	18,185
1450	Non-current assets or disposal groups classified as held for distribution to owners	0	0	0
1460	Non-current assets or disposal groups classified as held for sale, net	0	0	0
1470	Other current assets	4,379	1,761	2,092
1476	Other current financial assets	0	0	0
1479	Other current assets, others	4,379	1,761	2,092
11XX	Total current assets	836,115	1,243,077	858,757
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	16,717	16,067	17,261
1550	Investments accounted for using equity method	0	0	164,781
1600	Property, plant and equipment	1,822	1,790	2,418
1615	Machinery and equipment, net	0	0	0
1616	Machinery and equipment, cost	0	0	0
1618	Accumulated depreciation, machinery and equipment	(0)	(0)	(0)
1619	Accumulated impairment, machinery and equipment	(0)	(0)	(0)
1655	Computer and telecommunication equipment, net	944	933	1,026
1656	Computer and telecommunication equipment, cost	7,880	7,589	13,117
1658	Accumulated depreciation, computer and telecommunication equipment	(6,936)	(6,656)	(12,091)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	632	741	1,220
1661	Testing equipment, cost	4,661	4,355	5,324
1663	Accumulated depreciation, testing equipment	(4,029)	(3,614)	(4,104)
1664	Accumulated impairment, testing equipment	(0)	(0)	(0)
1670	Transportation equipment, net	0	0	0
1671	Transportation equipment, cost	0	0	0
1673	Accumulated depreciation, transportation equipment	(0)	(0)	(0)
1674	Accumulated impairment, transportation equipment	(0)	(0)	(0)
1690	Office equipment, net	0	0	5
1691	Office equipment, cost	319	319	367
1693	Accumulated depreciation, office equipment	(319)	(319)	(362)
1694	Accumulated impairment, office equipment	(0)	(0)	(0)
1735	Other facilities, net	246	116	167
1736	Other facilities, cost	22,722	22,553	22,662
1738	Accumulated depreciation, other facilities	(22,476)	(22,437)	(22,495)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	31,036	0	0
1760	Investment property, net	0	0	0
1780	Intangible assets	809	1,084	1,358
1805	Goodwill	0	0	0
1821	Other intangible assets, net	809	1,084	1,358
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	4,783	4,266	3,175
1900	Other non-current assets	268,664	282,312	285,999
1915	Prepayments for business facilities	585	0	0
1920	Guarantee deposits paid	23,670	31,119	18,894
1930	Long-term notes and accounts receivable	0	246,153	261,946
1935	Long-term lease payments receivable	0	246,153	261,946
194D	Long-term finance lease receivable, net	239,343	0	0
1975	Net defined benefit asset, non-current	5,066	5,040	5,159
1980	Other non-current financial assets	0	0	0
1985	Long-term Lease Prepayments	0	0	0
1990	Other non-current assets, others	0	0	0
15XX	Total non-current assets	323,831	305,519	474,992
1XXX	Total assets	1,159,946	1,548,596	1,333,749
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	25,000	177,367	99,739
2130	Current contract liabilities	58,770	191,975	138,851
2150	Notes payable	37,634	237	153
2170	Accounts payable	190,263	142,788	67,116
2180	Accounts payable to related parties	3,321	7,848	1,570
2190	Construction contracts payable	0	0	0
2200	Other payables	91,503	262,580	30,218
2219	Other payables, others	91,503	262,580	30,218
2220	Other payables to related parties	668	751	194

2230	Current tax liabilities	2,869	8,671	2,471
2250	Current provisions	40,277	45,995	48,444
2265	Progress billings	0	0	0
2280	Current lease liabilities	8,405	0	0
2300	Other current liabilities	83,770	76,747	81,573
2320	Long-term liabilities, current portion	81,958	74,442	80,742
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	1,812	2,305	831
21XX	Total current liabilities	542,480	914,959	470,329
	Non-current liabilities			
2500	Non-current financial liabilities at fair value through profit or loss	0	0	0
2520	Non-current financial liabilities at amortised cost	0	0	0
2530	Bonds payable	0	0	0
2540	Non-current portion of non-current borrowings	62,885	73,596	110,818
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,072	1,445	1,350
2580	Non-current lease liabilities	26,569	0	0
2600	Other non-current liabilities	49,905	50,224	49,920
2610	Long-term notes and accounts payable	0	0	0
2613	Non-current lease obligations payable	0	0	0
2640	Net defined benefit liability, non-current	0	0	0
2645	Guarantee deposits received	49,905	50,224	49,920
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	140,431	125,265	162,088
2XXX	Total liabilities	682,911	1,040,224	632,417
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	470,000	470,000	900,020
3150	Stock dividend to be distributed	0	0	0
3100	Total capital stock	470,000	470,000	900,020
	Capital surplus			
3200	Total capital surplus	145	0	0
	Retained earnings			
3310	Legal reserve	0	0	0
3350	Unappropriated retained earnings (accumulated deficit)	20,517	57,906	(198,682)
3300	Total retained earnings	20,517	57,906	(198,682)
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	0	0	(6)
3400	Total other equity interest	0	0	(6)
3500	Treasury shares	(13,627)	(19,534)	(0)
31XX	Total equity attributable to owners of parent	477,035	508,372	701,332
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	477,035	508,372	701,332
3X2X	Total liabilities and equity	1,159,946	1,548,596	1,333,749
3997	Number of share capital awaiting retirement	0	0	0
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	1,396,243	2,000,000	0

Unit: NT\$ thousands EPS Unit: NT\$

Statement of Comprehensive Income					
Code	Accounting Title	2019/4/1To6/30	2018/4/1To6/30	2019/1/1To6/30	2018/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	101,183	13,402	115,124	285,021
	Rental revenue				
4300	Total rental revenue	19	121	47	149
	Construction and engineering revenue				
4520	Engineering service revenue	0	0	0	0
4500	Total construction and engineering revenue	0	0	0	0
	Service revenue				
4650	Technical service revenue	285,252	27,826	316,229	58,307
4600	Total service revenue	285,252	27,826	316,229	58,307
	Other operating revenue				
4800	Other operating revenue, net	8,138	10,163	16,655	20,930
4000	Total operating revenue	394,592	51,512	448,055	364,407
	Operating costs				
	Cost of sales				
5110	Total cost of sales	90,759	11,042	104,564	267,998
	Cost of rental sales				
5300	Total cost of rental sales	0	4	0	8
	Cost of construction and engineering service sales				
5500	Total cost of construction and engineering service sales	0	0	0	0
	Cost of services				
5600	Total cost of services	272,302	23,526	296,132	47,534
5800	Other operating costs	653	829	1,501	1,963
5000	Total operating costs	363,714	35,401	402,197	317,503
5900	Gross profit (loss) from operations	30,878	16,111	45,858	46,904
5950	Gross profit (loss) from operations	30,878	16,111	45,858	46,904
	Operating expenses				
6100	Selling expenses	10,374	9,320	19,724	20,769
6200	Administrative expenses	7,837	6,915	16,416	12,974
6300	Research and development expenses	1,663	1,426	3,168	3,346
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	103	0	(1,003)	505
6000	Total operating expenses	19,977	17,661	38,305	37,594
6900	Net operating income (loss)	10,901	(1,550)	7,553	9,310
	Non-operating income and expenses				
	Other income				
7010	Total other income	745	1,071	2,480	2,345
	Other gains and losses				
7020	Other gains and losses, net	285	9,721	961	5,210
	Finance costs				
7050	Finance costs, net	309	157	814	199
	Share of profit (loss) of associates and joint ventures accounted for using equity method				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	0	2,344	0	5,455
7000	Total non-operating income and expenses	721	12,979	2,627	12,811
7900	Profit (loss) from continuing operations before tax	11,622	11,429	10,180	22,121
	Tax expense (income)				

7950	Total tax expense (income)	2,244	184	1,979	1,710
8000	Profit (loss) from continuing operations	9,378	11,245	8,201	20,411
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	0	0	0
8200	Profit (loss)	9,378	11,245	8,201	20,411
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	0	0	0	0
8312	Gains (losses) on revaluation	0	0	0	0
8313	Change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
8314	Equity related to non-current assets or disposal groups classified as held for sale that will not be reclassified to profit or loss	0	0	0	0
8315	Equity related to non-current assets or disposal groups classified as held for distribution to owners that will not be reclassified to profit or loss	0	0	0	0
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
8341	Other components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	(50)
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	50
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	0	0	0	0
8365	Equity related to non-current assets or disposal groups classified as held for sale	0	0	0	0
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	0	0	0	0
8391	Other components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8360	Components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8300	Other comprehensive income, net	0	0	0	50
8500	Total comprehensive income	9,378	11,245	8,201	20,461
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	9,378	11,245	8,201	20,411
8620	Profit (loss), attributable to non-controlling interests	0	0	0	0
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	9,378	11,245	8,201	20,461
8720	Comprehensive income, attributable to non-controlling interests	0	0	0	0
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.21	0.17	0.18	0.30
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9750	Total basic earnings per share	0.21	0.17	0.18	0.30
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.21	0.17	0.18	0.30
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9850	Total diluted earnings per share	0.21	0.17	0.18	0.30

Unit: NT\$ thousands

## Statements of Cash Flows

Code	Accounting Title	2019/1/1To6/30	2018/1/1To6/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	10,180	22,121
A00020	Profit (loss) from discontinued operations before tax	0	0
A10000	Profit (loss) before tax	10,180	22,121
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	3,641	1,184
A20200	Amortization expense	275	235
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,003)	505
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(650)	(619)
A20900	Interest expense	814	199
A21200	Interest income	(810)	(1,653)
A21300	Dividend income	0	0
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	0	(5,455)
A22500	Loss (gain) on disposal of property, plan and equipment	0	0
A22700	Loss (gain) on disposal of investment properties	0	0
A22900	Loss (gain) on disposal of other assets	0	0
A23700	Impairment loss on non-financial assets	678	0
A23800	Reversal of impairment loss on non-financial assets	0	0
A24100	Unrealized foreign exchange loss (gain)	(338)	(330)
A29900	Other adjustments to reconcile profit (loss)	(26)	(30)
A20010	Total adjustments to reconcile profit (loss)	2,581	(5,964)
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	983	173
A31150	Decrease (increase) in accounts receivable	164,965	(14,359)
A31160	Decrease (increase) in accounts receivable due from related parties	(200)	4,750
A31180	Decrease (increase) in other receivable	(3)	32
A31190	Decrease (increase) in other receivable due from related parties	0	0
A31200	Decrease (increase) in inventories	(33,106)	84,820
A31230	Decrease (increase) in prepayments	(32,227)	42,314
A31240	Decrease (increase) in other current assets	123,430	3,572
A31000	Total changes in operating assets	223,842	121,302
	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(154,167)	40,231
A32130	Increase (decrease) in notes payable	37,397	(18,002)
A32150	Increase (decrease) in accounts payable	45,302	(49,241)
A32160	Increase (decrease) in accounts payable to related parties	(4,527)	(2,011)
A32180	Increase (decrease) in other payable	(12,807)	(11,080)
A32190	Increase (decrease) in other payable to related parties	(83)	(3,503)
A32200	Increase (decrease) in provisions	(5,718)	(2,564)
A32230	Increase (decrease) in other current liabilities	(493)	(181,378)
A32000	Total changes in operating liabilities	(95,096)	(227,548)
A30000	Total changes in operating assets and liabilities	128,746	(106,246)
A20000	Total adjustments	131,327	(112,210)
A33000	Cash inflow (outflow) generated from operations	141,507	(90,089)
A33300	Interest paid	(1,437)	(161)
A33500	Income taxes refund (paid)	(8,684)	(2,531)

AAAA	Net cash flows from (used in) operating activities	131,386	(92,781)
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	20,486	149,935
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	0	0
B01800	Acquisition of investments accounted for using equity method	0	0
B02300	Proceeds from disposal of subsidiaries	0	0
B02700	Acquisition of property, plant and equipment	(790)	(55)
B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	7,449	10,341
B03800	Decrease in refundable deposits	0	0
B04500	Acquisition of intangible assets	(585)	(1,410)
B06000	Increase in long-term lease and installment receivables	0	18,466
B06100	Decrease in long-term lease and installment receivables	(1,542)	0
B07500	Interest received	1,025	1,177
B07600	Dividends received	3,000	0
BBBB	Net cash flows from (used in) investing activities	29,043	178,454
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	99,393
C00200	Decrease in short-term loans	(152,367)	0
C01600	Proceeds from long-term debt	40,000	0
C01700	Repayments of long-term debt	(43,195)	(45,021)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(319)	(263)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(3,686)	0
C04700	Capital reduction payments to shareholders	(197,195)	0
C04900	Payments to acquire treasury shares	12	0
CCCC	Net cash flows from (used in) financing activities	(356,750)	54,109
DDDD	Effect of exchange rate changes on cash and cash equivalents	333	838
EEEE	Net increase (decrease) in cash and cash equivalents	(195,988)	140,620
E00100	Cash and cash equivalents at beginning of period	483,665	237,429
E00200	Cash and cash equivalents at end of period	287,677	378,049
E00210	Cash and cash equivalents reported in the statement of financial position	287,677	378,049

Unit: NT\$ thousands

Statements of Change in Equity		3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent
A1	Equity at beginning of period	470,000	0	470,000	0	0	57,906	57,906	0	0	(19,534)	508,372
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	0	0	0	0	0	0
A4	Retrospective adjustment of equity attributable to former owner	0	0	0	0	0	0	0	0	0	0	0

	due to reorganization of entities under common control											
A5	Equity at beginning of period after adjustments	470,000	0	470,000	0	0	57,906	57,906	0	0	(19,534)	508,370
B1	Legal reserve appropriated					5,033	(5,033)	0				
B5	Cash dividends of ordinary share					0	(45,590)	(45,590)				(45,590)
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				
C11	Capital surplus used to offset accumulated deficits				0		0	0				
D1	Profit (loss)						8,201	8,201				8,201
D3	Other comprehensive income						0	0	0	0		
D5	Total comprehensive income						8,201	8,201	0	0		8,201
L1	Purchase of treasury shares										12	12
L3	Retirement of treasury share	0		0	145		0	0			5,895	6,040
T1	Others	0	0	0	0	0	0	0	0	0	0	
Y1	Total increase (decrease) in equity	0	0	0	145	5,033	(42,422)	(37,389)	0	0	5,907	(31,330)
Z1	Equity at end of period	470,000	0	470,000	145	5,033	15,484	20,517	0	0	(13,627)	477,030

Unit: NT\$ thousands

Last year's Statements of Change in Equity												
		3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Treasury shares	Total equity attributable to owners of parent
A1	Equity at beginning of period	900,020	0	900,020	19,665	0	(246,450)	(246,450)	(6)	(6)	0	673,220
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	7,642	7,642	0	0	0	7,642
A5	Equity at beginning of period after adjustments	900,020	0	900,020	19,665	0	(238,808)	(238,808)	(6)	(6)	0	680,870
B1	Legal reserve appropriated					0	0	0				
B5	Cash					0	0	0				

	dividends of ordinary share											
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				
C11	Capital surplus used to offset accumulated deficits				(19,665)		19,665	19,665				
D1	Profit (loss)						20,411	20,411				20,411
D3	Other comprehensive income						50	50	0	0		50
D5	Total comprehensive income						20,461	20,461	0	0		20,461
T1	Others	0	0	0	0	0	0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	(19,665)	0	40,126	40,126	0	0	0	20,461
Z1	Equity at end of period	900,020	0	900,020	0	0	(198,682)	(198,682)	(6)	(6)	0	701,332