

6148 AZION CORPORATION

2020Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2020/6/30	2019/12/31	2019/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	263,478	253,238	287,677
1110	Current financial assets at fair value through profit or loss	0	9,935	0
1120	Current financial assets at fair value through other comprehensive income	0	0	0
1136	Current financial assets at amortised cost	64,521	76,082	75,831
1140	Current contract assets	0	0	0
1150	Notes receivable, net	324	3,012	0
1160	Notes receivable due from related parties, net	0	0	0
1170	Accounts receivable, net	122,386	85,221	255,473
1172	Accounts receivable	122,386	85,221	255,473
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	635	905	1,234
1181	Accounts receivable due from related parties	635	905	1,234
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	130,408	126,253	134,259
1200	Other receivables	627	724	631
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	166
1220	Current tax assets	0	102	88
130X	Current inventories	32,141	115,055	60,591
1300	Inventories, merchandising business	32,141	115,055	60,591
1301	Merchandise inventory	32,141	115,055	60,591
1400	Current biological assets	0	0	0
1410	Prepayments	18,625	17,768	15,786
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	734	5,975	4,379
1476	Other current financial assets	0	0	0
1479	Other current assets, others	734	5,975	4,379
11XX	Total current assets	634,045	694,436	836,115
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	17,281	16,694	16,717
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	2,368	1,390	1,822
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	1,853	867	944
1656	Computer and telecommunication equipment, cost	9,277	8,139	7,880
1658	Accumulated depreciation, computer and telecommunication equipment	(7,424)	(7,272)	(6,936)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	191	331	632
1661	Testing equipment, cost	4,604	4,604	4,661
1663	Accumulated depreciation, testing equipment	(4,413)	(4,273)	(4,029)
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	92	0	0
1691	Office equipment, cost	417	319	319
1693	Accumulated depreciation, office equipment	(325)	(319)	(319)
1694	Accumulated impairment, office equipment	(0)	(0)	(0)
1730	Leasehold improvements, net	0	0	0
1731	Leasehold improvements, cost	0	0	0
1733	Accumulated depreciation, leasehold improvements	(0)	(0)	(0)
1735	Other facilities, net	232	192	246
1736	Other facilities, cost	18,201	18,288	22,722
1738	Accumulated depreciation, other facilities	(17,969)	(18,096)	(22,476)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	26,843	28,634	31,036
1760	Investment property, net	0	0	0
1780	Intangible assets	1,014	1,168	809
1805	Goodwill	0	0	0
1821	Other intangible assets, net	1,014	1,168	809
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	7,023	5,952	4,783
1900	Other non-current assets	266,526	224,391	268,664
1915	Prepayments for business facilities	0	0	585
1920	Guarantee deposits paid	35,668	39,695	23,670
1930	Long-term notes and accounts receivable	0	0	0
1935	Long-term lease payments receivable	0	0	0
194D	Long-term finance lease receivable, net	225,668	179,525	239,343
1975	Net defined benefit asset, non-current	5,190	5,171	5,066
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	321,055	278,229	323,831
1XXX	Total assets	955,100	972,665	1,159,946
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	70,000	87,071	25,000
2130	Current contract liabilities	32,048	35,399	58,770
2150	Notes payable	166	21,567	37,634
2170	Accounts payable	80,223	28,639	190,263
2180	Accounts payable to related parties	8,992	3,286	3,321
2190	Construction contracts payable	0	0	0

2200	Other payables	51,062	46,257	91,503
2219	Other payables, others	51,062	46,257	91,503
2220	Other payables to related parties	336	650	668
2230	Current tax liabilities	6,844	2,078	2,869
2250	Current provisions	50,794	43,188	40,277
2265	Progress billings	0	0	0
2280	Current lease liabilities	9,656	8,864	8,405
2300	Other current liabilities	62,126	75,164	83,770
2320	Long-term liabilities, current portion	61,081	74,521	81,958
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	1,045	643	1,812
21XX	Total current liabilities	372,247	352,163	542,480
	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	57,723	88,264	62,885
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,164	1,267	1,072
2580	Non-current lease liabilities	19,605	22,972	26,569
2600	Other non-current liabilities	11,397	11,708	49,905
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	11,397	11,708	49,905
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	89,889	124,211	140,431
2XXX	Total liabilities	462,136	476,374	682,911
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	470,000	470,000	470,000
3120	Preference share	0	0	0
3150	Stock dividend to be distributed	0	0	0
3100	Total Share Capital	470,000	470,000	470,000
	Capital surplus			
3200	Total capital surplus	145	145	145
	Retained earnings			
3310	Legal reserve	7,779	5,033	5,033
3350	Unappropriated retained earnings (accumulated deficit)	37,672	34,740	15,484
3300	Total retained earnings	45,451	39,773	20,517
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	0	0	0
3400	Total other equity interest	0	0	0
3500	Treasury shares	(22,632)	(13,627)	(13,627)
31XX	Total equity attributable to owners of parent	492,964	496,291	477,035
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	492,964	496,291	477,035
3X2X	Total liabilities and equity	955,100	972,665	1,159,946

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	2,346,243	1,396,243	1,396,243

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

Statement of Comprehensive Income					
Code	Accounting Title	2020/4/1To6/30	2019/4/1To6/30	2020/1/1To6/30	2019/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	72,204	101,183	192,196	115,124
	Rental revenue				
4300	Total rental revenue	19	19	47	47
	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	99,577	285,252	132,942	316,229
4600	Total service revenue	99,577	285,252	132,942	316,229
	Other operating revenue				
4800	Other operating revenue, net	5,713	8,138	11,697	16,655
4000	Total operating revenue	177,513	394,592	336,882	448,055
	Operating costs				
	Cost of sales				
5110	Total cost of sales	66,286	90,759	166,388	104,564
	Cost of rental sales				
5300	Total cost of rental sales	2	0	10	0
	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	72,311	272,302	104,484	296,132
5800	Other operating costs	484	653	1,177	1,501
5000	Total operating costs	139,083	363,714	272,059	402,197
5900	Gross profit (loss) from operations	38,430	30,878	64,823	45,858
5950	Gross profit (loss) from operations	38,430	30,878	64,823	45,858
	Operating expenses				
6100	Selling expenses	8,860	10,374	17,494	19,724
6200	Administrative expenses	11,250	7,837	20,959	16,416
6300	Research and development expenses	1,310	1,663	2,734	3,168
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	0	103	0	(1,003)
6000	Total operating expenses	21,420	19,977	41,187	38,305
6900	Net operating income (loss)	17,010	10,901	23,636	7,553
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	190	214	278	810
	Other income				
7010	Total other income	2,906	531	3,333	1,670
	Other gains and losses				
7020	Other gains and losses, net	(496)	285	54	961
	Finance costs				
7050	Finance costs, net	425	309	1,049	814

	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	0	0	0
7000	Total non-operating income and expenses	2,175	721	2,616	2,627
7900	Profit (loss) from continuing operations before tax	19,185	11,622	26,252	10,180
	Tax expense (income)				
7950	Total tax expense (income)	4,374	2,244	6,474	1,979
8000	Profit (loss) from continuing operations	14,811	9,378	19,778	8,201
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	0	0	0
8200	Profit (loss)	14,811	9,378	19,778	8,201
	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	0
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	0
	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	Total other comprehensive income	0	0	0	0
8500	Total comprehensive income	14,811	9,378	19,778	8,201
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	14,811	9,378	19,778	8,201
8620	Profit (loss), attributable to non-controlling interests	0	0	0	0
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	14,811	9,378	19,778	8,201
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	0.33	0.21	0.44	0.18
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9750	Total basic earnings per share	0.33	0.21	0.44	0.18

	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.33	0.21	0.44	0.18
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
9850	Total diluted earnings per share	0.33	0.21	0.44	0.18

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2020/1/1To6/30	2019/1/1To6/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	26,252	10,180	
A00020	Profit (loss) from discontinued operations before tax	0	0	
A10000	Profit (loss) before tax	26,252	10,180	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	4,488	3,641	
A20200	Amortization expense	384	275	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	0	(1,003)	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(652)	(650)	
A20900	Interest expense	1,049	814	
A21200	Interest income	(278)	(810)	
A21300	Dividend income	0	0	
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	0	0	
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	(2,130)	678	
A23800	Reversal of impairment loss on non-financial assets	0	0	
A24100	Unrealized foreign exchange loss (gain)	776	(338)	
A29900	Other adjustments to reconcile profit (loss)	(19)	(26)	
A20010	Total adjustments to reconcile profit (loss)	3,618	2,581	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31130	Decrease (increase) in notes receivable	2,688	983	
A31150	Decrease (increase) in accounts receivable	(31,703)	164,965	
A31160	Decrease (increase) in accounts receivable due from related parties	270	(200)	
A31180	Decrease (increase) in other receivable	107	(3)	
A31190	Decrease (increase) in other receivable due from related parties	0	0	
A31200	Adjustments for decrease (increase) in inventories	85,154	(33,106)	
A31230	Decrease (increase) in prepayments	1,382	(32,227)	
A31240	Adjustments for decrease (increase) in other current assets	5,241	123,430	
A31000	Total changes in operating assets	63,139	223,842	
	Changes in operating liabilities			
A32125	Increase (decrease) in contract liabilities	(8,813)	(154,167)	
A32130	Increase (decrease) in notes payable	(21,401)	37,397	
A32150	Increase (decrease) in accounts payable	49,359	45,302	
A32160	Increase (decrease) in accounts payable to related parties	5,706	(4,527)	
A32180	Increase (decrease) in other payable	(9,190)	(12,807)	
A32190	Increase (decrease) in other payable to related parties	(314)	(83)	
A32200	Increase (decrease) in provisions	7,606	(5,718)	
A32230	Adjustments for increase (decrease) in other current liabilities	402	(493)	

A32000	Total changes in operating liabilities	23,355	(95,096)
A30000	Total changes in operating assets and liabilities	86,494	128,746
A20000	Total adjustments	90,112	131,327
A33000	Cash inflow (outflow) generated from operations	116,364	141,507
A33300	Interest paid	(1,154)	(1,437)
A33500	Income taxes refund (paid)	(2,780)	(8,684)
AAAA	Net cash flows from (used in) operating activities	112,430	131,386
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	11,561	20,486
B00100	Acquisition of financial assets at fair value through profit or loss	10,000	0
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	(1,731)	(790)
B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	0	0
B03800	Decrease in refundable deposits	4,027	7,449
B04500	Acquisition of intangible assets	(230)	(585)
B06000	Increase in long-term lease and installment receivables	(50,298)	(1,542)
B06100	Decrease in long-term lease and installment receivables	0	0
B07500	Interest received	268	1,025
B07600	Dividends received	0	3,000
BBBB	Net cash flows from (used in) investing activities	(26,403)	29,043
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	0
C00200	Decrease in short-term loans	(17,071)	(152,367)
C01600	Proceeds from long-term debt	0	40,000
C01700	Repayments of long-term debt	(43,981)	(43,195)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(311)	(319)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(4,629)	(3,686)
C04700	Capital reduction payments to shareholders	0	(197,195)
C04900	Payments to acquire treasury shares	(9,005)	12
C05000	Proceeds from sale of treasury shares	0	0
CCCC	Net cash flows from (used in) financing activities	(74,997)	(356,750)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(790)	333
EEEE	Net increase (decrease) in cash and cash equivalents	10,240	(195,988)
E00100	Cash and cash equivalents at beginning of period	253,238	483,665
E00200	Cash and cash equivalents at end of period	263,478	287,677
E00210	Cash and cash equivalents reported in the statement of financial position	263,478	287,677

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	470,000	0	470,000	145	5,033	34,740	39,773	0	0	(13,627)	496,29

	Equity at beginning of period											
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	0	0	0	0	0	
A4	Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control	0	0	0	0	0	0	0	0	0	0	
A5	Equity at beginning of period after adjustments	470,000	0	470,000	145	5,033	34,740	39,773	0	0	(13,627)	496,29
B1	Legal reserve appropriated					2,746	(2,746)	0				
B5	Cash dividends of ordinary share					0	(14,100)	(14,100)				(14,100)
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)						19,778	19,778				19,778
D3	Other comprehensive income						0	0	0	0		
D5	Total comprehensive income						19,778	19,778	0	0		19,778
L1	Purchase of treasury shares										(9,005)	(9,005)
L3	Retirement of treasury share	0		0	0		0	0			0	
T1	Others	0	0	0	0	0	0	0	0	0	0	
Y1	Total increase (decrease) in equity	0	0	0	0	2,746	2,932	5,678	0	0	(9,005)	(3,327)
Z1	Equity at end of period	470,000	0	470,000	145	7,779	37,672	45,451	0	0	(22,632)	492,96

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	470,000	0	470,000	0	0	57,906	57,906	0	0	(19,534)	508,371

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 due to reorganization of entities under common control	0	0	0	0	0	0	0	0	0	0	0
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	0
Y1	Total increase (decrease) in equity	0	0	0	145	5,033	(42,422)	(37,389)	0	0	5,907	(31,331)
Z1	Equity at end of period	470,000	0	470,000	145	5,033	15,484	20,517	0	0	(13,627)	477,033