

**6148 AZION CORPORATION**  
**2022Q2 Consolidated Financial Report**

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2022/6/30	2021/12/31	2021/6/30
	<b>Assets</b>			
	<b>Current assets</b>			
1100	Cash and cash equivalents	285,211	402,804	362,922
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	49,594	63,834	66,341
1140	Current contract assets	0	0	0
1150	Notes receivable, net	2,737	0	911
1160	Notes receivable due from related parties, net	0	0	0
1170	Accounts receivable, net	110,639	188,438	82,728
1172	Accounts receivable	110,639	188,438	82,728
1175	Lease payments receivable	0	0	0
1180	Accounts receivable due from related parties, net	1,582	1,411	366
1181	Accounts receivable due from related parties	1,582	1,411	366
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	107,218	123,623	140,378
1200	Other receivables	853	806	724
1201	Tax refund receivable	0	0	0
1206	Other non-operating receivables, others	0	0	0
1210	Other receivables due from related parties	63	63	63
1220	Current tax assets	5	0	0
130X	Current inventories	88,369	52,273	64,315
1300	Inventories, merchandising business	88,369	52,273	64,315
1301	Merchandise inventory	88,369	52,273	64,315
1400	Current biological assets	0	0	0
1410	Prepayments	35,703	26,643	15,605
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	1,688	149	5,157
1476	Other current financial assets	0	0	0
1479	Other current assets, others	1,688	149	5,157
11XX	<b>Total current assets</b>	<b>683,662</b>	<b>860,044</b>	<b>739,510</b>
	<b>Non-current assets</b>			
1510	Non-current financial assets at fair value through profit or loss	17,335	17,598	17,816
1550	Investments accounted for using equity method	0	0	0
1600	Property, plant and equipment	5,286	2,485	3,338
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	2,346	2,345	3,076
1656	Computer and telecommunication equipment, cost	9,297	9,298	11,622
1658	Accumulated depreciation, computer and telecommunication equipment	(6,951)	(6,953)	(8,546)
1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	0	31	82
1661	Testing equipment, cost	4,306	4,475	4,503
1663	Accumulated depreciation, testing equipment	(4,306)	(4,444)	(4,421)
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		(0)	(0)	(0)

	Accumulated impairment, transportation equipment			
1690	Office equipment, net	21	39	56
1691	Office equipment, cost	231	417	417
1693	Accumulated depreciation, office equipment	(210)	(378)	(361)
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	103	70	124
1736	Other facilities, cost	7,601	8,271	18,201
1738	Accumulated depreciation, other facilities	(7,498)	(8,201)	(18,077)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1740	Unfinished construction and equipment under acceptance	2,816	0	0
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	11,554	15,503	28,422
1760	Investment property, net	0	0	0
1780	Intangible assets	2,426	972	543
1805	Goodwill	0	0	0
1821	Other intangible assets, net	2,426	972	543
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	8,878	11,975	9,812
1900	Other non-current assets	232,872	242,509	266,534
1915	Prepayments for business facilities	0	0	0
1920	Guarantee deposits paid	56,400	40,720	39,858
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	170,819	196,156	221,395
1975	Net defined benefit asset, non-current	5,653	5,633	5,281
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	278,351	291,042	326,465
1XXX	Total assets	962,013	1,151,086	1,065,975
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	47,931	49,353	26,275
2130	Current contract liabilities	16,536	8,707	14,692
2150	Notes payable	14,258	415	89
2170	Accounts payable	76,100	97,264	38,670
2180	Accounts payable to related parties	6,923	18,001	1,112
2190	Construction contracts payable	0	0	0
2200	Other payables	47,339	67,815	52,993
2219	Other payables, others	47,339	67,815	52,993
2220	Other payables to related parties	286	315	821
2230	Current tax liabilities	1,939	7,175	2,942
2250	Current provisions	54,216	68,493	63,448
2265	Progress billings	0	0	0
2280	Current lease liabilities	9,547	9,813	11,555
2300	Other current liabilities	74,860	81,061	99,101
2320	Long-term liabilities, current portion	73,572	80,239	97,648
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	1,288	822	1,453
21XX	Total current liabilities	349,935	408,412	311,698
	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	91,765	183,023	223,142
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	2,232	1,380	1,305
2580	Non-current lease liabilities	6,361	10,974	17,552
2600	Other non-current liabilities	787	1,035	873
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	787	1,035	873
2670	Other non-current liabilities, others	0	0	0
25XX	Total non-current liabilities	101,145	196,412	242,872
2XXX	Total liabilities	451,080	604,824	554,570
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	466,038	466,038	470,000
3120	Preference share	0	0	0
3150	Stock dividend to be distributed	0	0	0
3100	Total Share Capital	466,038	466,038	470,000
	Capital surplus			
3200	Total capital surplus	5,679	5,679	5,584
	Retained earnings			
3310	Legal reserve	17,266	12,765	12,765
3350	Unappropriated retained earnings (accumulated deficit)	30,955	70,785	16,900
3300	Total retained earnings	48,221	83,550	29,665
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	0	0	0
3490	Other equity, others	0	0	0
3400	Total other equity interest	0	0	0
3500	Treasury shares	(9,005)	(9,005)	(12,872)
31XX	Total equity attributable to owners of parent	510,933	546,262	492,377
36XX	Non-controlling interests	0	0	19,028
3XXX	Total equity	510,933	546,262	511,405
3X2X	Total liabilities and equity	962,013	1,151,086	1,065,975
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	950,000	950,000	1,346,243

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

Statement of Comprehensive Income					
Code	Accounting Title	2022/4/1To6/30	2021/4/1To6/30	2022/1/1To6/30	2021/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	36,097	15,283	77,696	96,668
	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	60,149	39,420	115,624	125,150
4600	Total service revenue	60,149	39,420	115,624	125,150
	Other operating revenue				
4800	Other operating revenue, net	2,799	4,628	6,081	9,763
4000	Total operating revenue	99,064	59,350	199,448	231,628
	Operating costs				
	Cost of sales				

5110	Total cost of sales	36,796	13,053	69,615	86,640
	Cost of rental sales				
5300	Total cost of rental sales	0	0	0	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	28,756	23,419	62,896	90,475
5800	Other operating costs	665	963	1,447	1,668
5000	Total operating costs	66,217	37,435	133,958	178,783
5900	Gross profit (loss) from operations	32,847	21,915	65,490	52,845
5950	Gross profit (loss) from operations	32,847	21,915	65,490	52,845
	Operating expenses				
6100	Selling expenses	10,459	9,275	21,186	19,338
6200	Administrative expenses	14,924	15,672	29,443	34,008
6300	Research and development expenses	1,119	1,094	2,459	2,601
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	263	1,113	1,265	1,113
6000	Total operating expenses	26,765	27,154	54,353	57,060
6900	Net operating income (loss)	6,082	(5,239)	11,137	(4,215)
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	257	51	339	84
	Other income				
7010	Total other income	125	805	137	972
	Other gains and losses				
7020	Other gains and losses, net	2,224	218	5,795	1,606
	Finance costs				
7050	Finance costs, net	246	179	461	375
	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	2,360	895	5,810	2,287
7900	Profit (loss) from continuing operations before tax	8,442	(4,344)	16,947	(1,928)
	Tax expense (income)				
7950	Total tax expense (income)	3,539	237	6,576	1,467
8000	Profit (loss) from continuing operations	4,903	(4,581)	10,371	(3,395)
	Profit (loss) from discontinued operations				
8100	Total profit (loss) from discontinued operations	0	(6,264)	0	(6,723)
8200	Profit (loss)	4,903	(10,845)	10,371	(10,118)
	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	4,903	(10,845)	10,371	(10,118)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	4,903	(9,601)	10,371	(8,874)
8620	Profit (loss), attributable to non-controlling interests	0	(1,244)	0	(1,244)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	4,903	(9,601)	10,371	(8,874)
8720	Comprehensive income, attributable to non-controlling interests	0	(1,244)	0	(1,244)
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.11	(0.10)	0.23	(0.07)
9720	Basic earnings (loss) per share from discontinued operations	0.00	(0.11)	0.00	(0.12)
9750	Total basic earnings per share	0.11	(0.21)	0.23	(0.19)
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.11	(0.10)	0.23	(0.07)
9820	Diluted earnings (loss) per share from discontinued operations	0.00	(0.11)	0.00	(0.12)
9850	Total diluted earnings per share	0.11	(0.21)	0.23	(0.19)

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2022/1/1To6/30	2021/1/1To6/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	16,947	(1,928)	
A00020	Profit (loss) from discontinued operations before tax	0	(6,723)	
A10000	Profit (loss) before tax	16,947	(8,651)	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	4,837	5,073	
A20200	Amortization expense	587	196	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,265	1,113	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	263	(1,218)	
A20900	Interest expense	461	387	
A21200	Interest income	(339)	(86)	
A21300	Dividend income	0	0	
A21900	Share-based payments	0	3,730	
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	(6)	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	399	0	
A23800	Reversal of impairment loss on non-financial assets	0	0	
A24100	Unrealized foreign exchange loss (gain)	(4,810)	1,296	
A29900	Other adjustments to reconcile profit (loss)	(20)	(10)	
A20010	Total adjustments to reconcile profit (loss)	2,637	10,481	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31130	Decrease (increase) in notes receivable	(2,737)	(587)	
A31150	Decrease (increase) in accounts receivable	76,534	(31,442)	
A31160	Decrease (increase) in accounts receivable due from related parties	(171)	701	
A31180	Decrease (increase) in other receivable	76	0	
A31190	Decrease (increase) in other receivable due from related parties	0	0	
A31200	Adjustments for decrease (increase) in inventories	(36,495)	2,415	
A31230	Decrease (increase) in prepayments	(9,060)	9,462	
A31240	Adjustments for decrease (increase) in other current assets	(1,539)	(4,139)	
A31990	Decrease (increase) in other operating assets	41,742	46,856	
A31000	Total changes in operating assets	68,350	23,266	
	Changes in operating liabilities			
A32125	Increase (decrease) in contract liabilities	7,829	(26,385)	
A32130		13,843	(400)	

	Increase (decrease) in notes payable		
A32150	Increase (decrease) in accounts payable	(22,424)	9,903
A32160	Increase (decrease) in accounts payable to related parties	(11,078)	(5,663)
A32180	Increase (decrease) in other payable	(20,407)	(12,072)
A32190	Increase (decrease) in other payable to related parties	(29)	435
A32200	Increase (decrease) in provisions	(14,277)	5,845
A32230	Adjustments for increase (decrease) in other current liabilities	466	753
A32000	Total changes in operating liabilities	(46,077)	(27,584)
A30000	Total changes in operating assets and liabilities	22,273	(4,318)
A20000	Total adjustments	24,910	6,163
A33000	Cash inflow (outflow) generated from operations	41,857	(2,488)
A33100	Interest received	216	82
A33300	Interest paid	(530)	(318)
A33500	Income taxes refund (paid)	(7,868)	(9,444)
AAAA	Net cash flows from (used in) operating activities	33,675	(12,168)
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	0	(683)
B00050	Proceeds from disposal of financial assets at amortised cost	14,240	0
B00100	Acquisition of financial assets at fair value through profit or loss	0	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	(3,708)	(1,632)
B02800	Proceeds from disposal of property, plant and equipment	25	0
B03700	Increase in refundable deposits	(15,680)	(10,316)
B03800	Decrease in refundable deposits	0	0
B04500	Acquisition of intangible assets	(2,041)	(85)
B06000	Increase in long-term lease and installment receivables	0	0
B06100	Decrease in long-term lease and installment receivables	0	0
B07500	Interest received	0	0
B07600	Dividends received	0	0
BBBB	Net cash flows from (used in) investing activities	(7,164)	(12,716)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	12,771
C00200	Decrease in short-term loans	(1,405)	0
C01600	Proceeds from long-term debt	0	147,192
C01700	Repayments of long-term debt	(97,925)	(49,107)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(248)	(402)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(4,879)	(5,212)
C04500	Cash dividends paid	(45,700)	(37,000)
C04700	Capital reduction payments to shareholders	0	0
C04900	Payments to acquire treasury shares	0	0
C05000	Proceeds from sale of treasury shares	0	9,741
C05800	Change in non-controlling interests	0	22,000
CCCC	Net cash flows from (used in) financing activities	(150,157)	99,983
DDDD	Effect of exchange rate changes on cash and cash equivalents	6,053	(1,365)
EEEE	Net increase (decrease) in cash and cash equivalents	(117,593)	73,734
E00100	Cash and cash equivalents at beginning of period	402,804	289,188
E00200	Cash and cash equivalents at end of period	285,211	362,922
E00210	Cash and cash equivalents reported in the statement of financial position	285,211	362,922

Unit: NT\$ thousands

Statements of Change in Equity													
	3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX	36XX	3XXX
	Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity

							(accumulated deficit)		of foreign financial statements					
A1	Equity at beginning of period	466,038	0	466,038	5,679	12,765	70,785	83,550	0	0	(9,005)	546,262	0	546,262
A3	Effects of retrospective application and retrospective restatement	0	0	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	0	0
A5	Equity at beginning of period after adjustments	466,038	0	466,038	5,679	12,765	70,785	83,550	0	0	(9,005)	546,262	0	546,262
B1	Legal reserve appropriated					4,501	(4,501)	0				0		0
B5	Cash dividends of ordinary share					0	(45,700)	(45,700)				(45,700)		(45,700)
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				0		0
C11	Capital surplus used to offset accumulated deficits				0		0	0				0		0
D1	Profit (loss)						10,371	10,371				10,371	0	10,371
D3	Other comprehensive income						0	0	0	0		0	0	0
D5	Total comprehensive income						10,371	10,371	0	0		10,371	0	10,371
L3	Retirement of treasury share				0						0	0	0	0
M7	Changes in ownership interests in subsidiaries				0							0	0	0
N1	Share-based payments				0							0	0	0
O1	Changes in non-controlling interests											0	0	0
T1	Others	0	0	0	0	0	0	0	0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	0	4,501	(39,830)	(35,329)	0	0	0	(35,329)	0	(35,329)
Z1	Equity at end of period	466,038	0	466,038	5,679	17,266	30,955	48,221	0	0	(9,005)	510,933	0	510,933

Unit: NT\$ thousands

Last year's Statements of Change in Equity														
		3110	3150	3100	3200	3310	3350	3300	3410	3400	3500	31XX	36XX	3XXX
		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	Non-controlling interests	Total equity
A1	Equity at beginning of period	470,000	0	470,000	145	7,779	67,760	75,539	0	0	(22,632)	523,052	0	523,052
A3	Effects of retrospective application and	0	0	0	0	0	0	0	0	0	0	0	0	0

	retrospective restatement													
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	0	0
A5	Equity at beginning of period after adjustments	470,000	0	470,000	145	7,779	67,760	75,539	0	0	(22,632)	523,052	0	523,052
B1	Legal reserve appropriated					4,986	(4,986)	0			0			0
B5	Cash dividends of ordinary share					0	(37,000)	(37,000)				(37,000)		(37,000)
B9	Stock dividends of ordinary share	0	0	0	0	0	0	0				0		0
C11	Capital surplus used to offset accumulated deficits				0		0	0				0		0
D1	Profit (loss)						(8,874)	(8,874)				(8,874)	(1,244)	(10,118)
D3	Other comprehensive income						0	0	0	0		0	0	0
D5	Total comprehensive income						(8,874)	(8,874)	0	0		(8,874)	(1,244)	(10,118)
L3	Retirement of treasury share				(19)						9,760	9,741	0	9,741
M7	Changes in ownership interests in subsidiaries				1,728							1,728	(1,728)	0
N1	Share-based payments				3,730							3,730	0	3,730
O1	Changes in non-controlling interests											0	22,000	22,000
T1	Others	0	0	0	0	0	0	0	0	0	0	0	0	0
Y1	Total increase (decrease) in equity	0	0	0	5,439	4,986	(50,860)	(45,874)	0	0	9,760	(30,675)	19,028	(11,647)
Z1	Equity at end of period	470,000	0	470,000	5,584	12,765	16,900	29,665	0	0	(12,872)	492,377	19,028	511,405