

# 6148 AZION CORPORATION

## 2019Q1 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2019/3/31	2018/12/31	2018/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	289,999	483,665	217,785
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	66,742	96,317	215,940
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	56,754	519,639	280,609
1172	Accounts receivable	56,754	398,473	160,566
1175	Lease payments receivable	0	121,166	120,043
1180	Accounts receivable due from related parties, net	558	1,034	670
1181	Accounts receivable due from related parties	558	1,034	670
1190	Construction contracts receivable	0	0	0
1195	Construction contracts receivable due from related parties	0	0	0
1197	Finance lease receivable, net	135,679	0	0
1200	Other receivables	848	843	1,175
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	0
1220	Current tax assets	132	75	173
130X	Current inventories	31,244	28,163	28,056
1300	Inventories, merchandising business	31,244	28,163	28,056
1301	Merchandise inventory	31,244	28,163	28,056
1400	Current biological assets	0	0	0
1410	Prepayments	141,834	107,431	11,877
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	2,341	1,761	847
1476	Other current financial assets	0	0	0
1479	Other current assets, others	2,341	1,761	847
11XX	Total current assets	726,297	1,243,077	757,675
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	16,332	16,067	16,950
1550	Investments accounted for using equity method	0	0	171,360
1600	Property, plant and equipment	1,523	1,790	3,027
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	841	933	1,187
1656	Computer and telecommunication equipment, cost	7,644	7,589	13,188
1658	Accumulated depreciation, computer and telecommunication equipment	(6,803)	(6,656)	(12,001)

1659	Accumulated impairment, computer and telecommunication equipment	(0)	(0)	(0)
1660	Testing equipment, net	581	741	1,550
1661	Testing equipment, cost	4,410	4,355	5,381
1663	Accumulated depreciation, testing equipment	(3,829)	(3,614)	(3,831)
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	20
1691	Office equipment, cost	319	319	367
1693	Accumulated depreciation, office equipment	(319)	(319)	(347)
1694	Accumulated impairment, office equipment	(0)	(0)	(0)
1735	Other facilities, net	101	116	270
1736	Other facilities, cost	22,553	22,553	22,662
1738	Accumulated depreciation, other facilities	(22,452)	(22,437)	(22,392)
1739	Accumulated impairment, other facilities	(0)	(0)	(0)
1750	Natural resources, net	0	0	0
1755	Right-of-use assets	32,756	0	0
1760	Investment property, net	0	0	0
1780	Intangible assets	946	1,084	1,495
1805	Goodwill	0	0	0
1821	Other intangible assets, net	946	1,084	1,495
1830	Non-current biological assets	0	0	0
1840	Deferred tax assets	4,684	4,266	2,668
1900	Other non-current assets	295,901	282,312	315,051
1915	Prepayments for business facilities	585	0	0
1920	Guarantee deposits paid	19,494	31,119	21,052
1930	Long-term notes and accounts receivable	0	246,153	288,855
1935	Long-term lease payments receivable	0	246,153	288,855
194D	Long-term finance lease receivable, net	270,769	0	0
1975	Net defined benefit asset, non-current	5,053	5,040	5,144
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	352,142	305,519	510,551
1XXX	Total assets	1,078,439	1,548,596	1,268,226
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	0	177,367	7,302
2130	Current contract liabilities	198,097	191,975	0
2150	Notes payable	26	237	72
2170	Accounts payable	19,585	142,788	181,698
2180	Accounts payable to related parties	3,544	7,848	150
2190	Construction contracts payable	0	0	0
2200	Other payables	34,840	262,580	25,549
2219	Other payables, others	34,840	262,580	25,549
2220	Other payables to related parties	1,241	751	3,086

2230	Current tax liabilities	9,004	8,671	4,132
2250	Current provisions	41,180	45,995	48,286
2265	Progress billings	0	0	0
2280	Current lease liabilities	8,351	0	0
2300	Other current liabilities	91,004	76,747	128,338
2320	Long-term liabilities, current portion	88,782	74,442	83,342
2355	Current lease obligations payable	0	0	0
2399	Other current liabilities, others	2,222	2,305	44,996
21XX	Total current liabilities	406,872	914,959	398,613
	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	78,256	73,596	128,039
2550	Non-current provisions	0	0	0
2570	Deferred tax liabilities	1,265	1,445	1,316
2580	Non-current lease liabilities	28,691	0	0
2600	Other non-current liabilities	50,108	50,224	50,171
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	50,108	50,224	50,171
25XX	Total non-current liabilities	158,320	125,265	179,526
2XXX	Total liabilities	565,192	1,040,224	578,139
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	470,000	470,000	900,020
3100	Total capital stock	470,000	470,000	900,020
	Capital surplus			
3200	Total capital surplus	145	0	19,665
	Retained earnings			
3310	Legal reserve	0	0	0
3350	Unappropriated retained earnings (accumulated deficit)	56,729	57,906	(229,592)
3300	Total retained earnings	56,729	57,906	(229,592)
	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	513,247	508,372	690,087
36XX	Non-controlling interests	0	0	0
3XXX	Total equity	513,247	508,372	690,087
3X2X	Total liabilities and equity	1,078,439	1,548,596	1,268,226
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	2019/1/1To3/31	2018/1/1To3/31

	Operating revenue		
	Net sales revenue		
4100	Net sales revenue	13,941	271,619
	Rental revenue		
4300	Total rental revenue	28	28
	Construction and engineering revenue		
4500	Total construction and engineering revenue	0	0
	Service revenue		
4600	Total service revenue	30,977	30,481
	Other operating revenue		
4800	Other operating revenue, net	8,517	10,767
4000	Total operating revenue	53,463	312,895
	Operating costs		
	Cost of sales		
5110	Total cost of sales	13,805	256,956
	Cost of rental sales		
5300	Total cost of rental sales	0	4
	Cost of services		
5600	Total cost of services	23,830	24,008
5800	Other operating costs	848	1,134
5000	Total operating costs	38,483	282,102
5900	Gross profit (loss) from operations	14,980	30,793
5910	Unrealized profit (loss) from sales	0	0
5920	Realized profit (loss) on from sales	0	0
5950	Gross profit (loss) from operations	14,980	30,793
	Operating expenses		
6100	Selling expenses	9,350	11,449
6200	Administrative expenses	8,579	6,059
6300	Research and development expenses	1,505	1,920
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(1,106)	505
6000	Total operating expenses	18,328	19,933
6900	Net operating income (loss)	(3,348)	10,860
	Non-operating income and expenses		
	Other income		
7010	Total other income	1,735	1,274
	Other gains and losses		
7210	Gains on disposals of property, plant and equipment	0	0
7230	Foreign exchange gains	411	(4,819)
7235	Gains on financial assets (liabilities) at fair value through profit or loss	265	308
7590	Miscellaneous disbursements	0	0
7610	Losses on disposals of property, plant and equipment	0	0
7670	Impairment loss	0	0
7673	Impairment loss recognised in profit or loss, property, plant and equipment	0	0
7020	Other gains and losses, net	676	(4,511)
	Gains (losses) arising from derecognition of financial assets measured at amortised cost		
7030	Gains (losses) arising from derecognition of financial assets measured at amortised cost	0	0
	Finance costs		
7510	Interest expense	505	42
7050	Finance costs, net	505	42
	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	3,111
7000	Total non-operating income and expenses	1,906	(168)
7900	Profit (loss) from continuing operations before tax	(1,442)	10,692
	Tax expense (income)		
7950	Total tax expense (income)	(265)	1,526
8000	Profit (loss) from continuing operations	(1,177)	9,166
	Profit (loss) from discontinued operations		
8100	Total profit (loss) from discontinued operations	0	0
8200	Profit (loss)	(1,177)	9,166
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
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
8325	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, associates and joint ventures accounted for using equity method	0	0
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	(50)
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	50
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	0	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0
8360	Components of other comprehensive income that will be reclassified to profit or loss	0	0
8300	Other comprehensive income, net	0	50
8500	Total comprehensive income	(1,177)	9,216
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	(1,177)	9,166
8620	Profit (loss), attributable to non-controlling interests	0	0
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(1,177)	9,216
8720	Comprehensive income, attributable to non-controlling interests	0	0
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	(0.03)	0.14
9720	Basic earnings (loss) per share from discontinued operations	0.00	0.00
9750	Total basic earnings per share	(0.03)	0.14
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	(0.03)	0.14
9820	Diluted earnings (loss) per share from discontinued operations	0.00	0.00
9850	Total diluted earnings per share	(0.03)	0.14

Unit: NT\$ thousands

Statements of Cash Flows			
Code	Accounting Title	2019/1/1To3/31	2018/1/1To3/31
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	(1,442)	10,692
A00020	Profit (loss) from discontinued operations before tax	0	0
A10000	Profit (loss) before tax	(1,442)	10,692
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	1,540	613
A20200	Amortization expense	138	98
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,106)	505
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(265)	(308)

A20900	Interest expense	505	42
A21200	Interest income	(596)	(1,233)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	0	(3,111)
A22500	Loss (gain) on disposal of property, plant and equipment	0	0
A23700	Impairment loss on non-financial assets	0	0
A23800	Reversal of impairment loss on non-financial assets	0	0
A24100	Unrealized foreign exchange loss (gain)	(1,387)	9,182
A29900	Other adjustments to reconcile profit (loss)	(13)	(15)
A20010	Total adjustments to reconcile profit (loss)	(1,184)	5,773
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	983	173
A31150	Decrease (increase) in accounts receivable	353,417	(58,738)
A31160	Decrease (increase) in accounts receivable due from related parties	476	5,312
A31180	Decrease (increase) in other receivable	(4)	31
A31190	Decrease (increase) in other receivable due from related parties	0	0
A31200	Decrease (increase) in inventories	(3,081)	99,418
A31230	Decrease (increase) in prepayments	(33,552)	48,622
A31240	Decrease (increase) in other current assets	(580)	4,817
A31000	Total changes in operating assets	317,659	99,635
	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(4,470)	0
A32130	Increase (decrease) in notes payable	(211)	(18,083)
A32150	Increase (decrease) in accounts payable	(124,054)	65,505
A32160	Increase (decrease) in accounts payable to related parties	(4,304)	(3,431)
A32180	Increase (decrease) in other payable	(23,902)	(15,651)
A32190	Increase (decrease) in other payable to related parties	490	(609)
A32200	Increase (decrease) in provisions	(4,815)	(2,722)
A32230	Increase (decrease) in other current liabilities	(83)	(137,213)
A32250	Increase (decrease) in deferred credits	0	0
A32000	Total changes in operating liabilities	(161,349)	(112,204)
A30000	Total changes in operating assets and liabilities	156,310	(12,569)
A20000	Total adjustments	155,126	(6,796)
A33000	Cash inflow (outflow) generated from operations	153,684	3,896
A33300	Interest paid	(1,108)	(102)
A33500	Income taxes refund (paid)	(57)	(86)
AAAA	Net cash flows from (used in) operating activities	152,519	3,708
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	29,575	1,685
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	(110)	(55)
B02800	Proceeds from disposal of property, plant and equipment	0	0
B03700	Increase in refundable deposits	0	0
B03800	Decrease in refundable deposits	11,625	8,183
B04500	Acquisition of intangible assets	(585)	(1,410)
B06000	Increase in long-term lease and installment receivables	(34,388)	(11,593)
B06100	Decrease in long-term lease and installment receivables	0	0
B07500	Interest received	595	679

B07600	Dividends received	3,000	0
BBBB	Net cash flows from (used in) investing activities	9,712	(2,511)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	7,302
C00200	Decrease in short-term loans	(177,367)	0
C01600	Proceeds from long-term debt	37,610	0
C01700	Repayments of long-term debt	(18,610)	(25,200)
C03000	Increase in guarantee deposits received	0	0
C03100	Decrease in guarantee deposits received	(116)	(12)
C04000	Decrease in lease payable	0	0
C04020	Payments of lease liabilities	(1,618)	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	(357,284)	(17,910)
DDDD	Effect of exchange rate changes on cash and cash equivalents	1,387	(2,931)
EEEE	Net increase (decrease) in cash and cash equivalents	(193,666)	(19,644)
E00100	Cash and cash equivalents at beginning of period	483,665	237,429
E00200	Cash and cash equivalents at end of period	289,999	217,785
E00210	Cash and cash equivalents reported in the statement of financial position	289,999	217,785

Unit: NT\$ thousands

Statements of Change in Equity												
		3110	3100	3200	3310	3320	3350	3300	3410	3400	3500	31XX
		Ordinary share	Total share capital	Capital surplus	Legal reserve	Special 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	470,000	0	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
A5	Equity at beginning of period after adjustments	470,000	470,000	0	0	0	57,906	57,906	0	0	(19,534)	508,372
D1	Profit (loss)						(1,177)	(1,177)	0	0		(1,177)
D3	Other comprehensive income						0	0	0	0		0
D5	Total comprehensive income						(1,177)	(1,177)	0	0		(1,177)
L1	Purchase of treasury shares								0	0	12	12
L3	Retirement of treasury share	0	0	145			0	0	0	0	5,895	6,040
Y1	Total increase (decrease) in equity	0	0	145	0	0	(1,177)	(1,177)	0	0	5,907	4,875
Z1	Equity at end of period	470,000	470,000	145	0	0	56,729	56,729	0	0	(13,627)	513,247

Unit: NT\$ thousands

Last year's Statements of Change in Equity		3110	3100	3200	3310	3320	3350	3300	3410	3400	3500	31XX	
		Ordinary share	Total share capital	Capital surplus	Legal reserve	Special 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	900,020	19,665	0	0	(246,450)	(246,450)	(6)	(6)	0	673,229	
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	900,020	19,665	0	0	(238,808)	(238,808)	(6)	(6)	0	680,871	
D1	Profit (loss)						9,166	9,166				9,166	
D3	Other comprehensive income						50	50	0	0		50	
D5	Total comprehensive income						9,216	9,216	0	0		9,216	
Y1	Total increase (decrease) in equity	0	0	0	0	0	9,216	9,216	0	0	0	9,216	
Z1	Equity at end of period	900,020	900,020	19,665	0	0	(229,592)	(229,592)	(6)	(6)	0	690,087	